

Message Text

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ACTION ARA-10

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C O N F I D E N T I A L CARACAS 10611

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TAGS: ENRG ETRD PFOR VE

SUBJ: PRESIDENT PEREZ ADDRESSES VENEZUELAN-AMERICAN

CHAMBER OF COMMERCE AND INDUSTRY

BEGIN UNCLASSIFIED

1. SUMMARY: PRESIDENT PEREZ WAS THE GUEST OF HONOR ON OCT 8 AT A DINNER CELEBRATING THE 25TH ANNIVERSARY OF THE VENEZUELAN-AMERICAN CHAMBER OF COMMERCE AND INDUSTRY. HIS ADDRESS WAS RELATIVELY FRIENDLY AND RESTRAINED BUT HE TOOK ISSUE WITH THE US ON EXCLUSION OF VENEZUELA AND ECUADOR FROM GSP AND FOR CRITICISM OF OPEC.END SUMMARY.

2. PRESIDENT CARLOS ANDRES PEREZ WAS GUEST OF HONOR OCT 8 AT A DINNER ATTENDED BY SOME 1000 PERSONS CELEBRATING THE 25TH ANNIVERSARY OF THE FOUNDING OF THE VENEZUELAN-AMERICAN CHAMBER OF COMMERCE AND INDUSTRY (AMCHAM). IN HIS ADDRESS, DELIVERED WITHOUT NOTES, PEREZ STRESSED THE VERY CORDIAL RELATIONS EXISTING WITH THE CHAMBER AND ITS CLOSE TIES TO VENEZUELA, ILLUSTRATED BY THE FACT THAT NEARLY HALF ITS MEMBERS ARE VENEZUELAN CITIZENS. THE PRESIDENT COMPLIMENTED THE CHAMBER

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EFFUSIVELY FOR ITS STRONG SUPPORT IN ATTEMPTING TO

RESOLVE PROBLEMS BETWEEN THE US AND VENEZUELA. AS AN EXAMPLE, HE CITED RECENT EFFORTS BY THE CHAMBER TO PAVE THE WAY FOR AMENDMENT OF THE "DISCRIMINATORY" US TRADE LAW TO MAKE VENEZUELA AND ECUADOR ELIGIBLE FOR GENERALIZED TARIFF PREFERENCES. THE PRESIDENT SAID THERE IS NO CONTRADICTION IN THE CHAMBER'S INVOLVEMENT IN SUCH EFFORTS, WHICH ARE IN THE INTERESTS OF BOTH VENEZUELA AND THE US.

3. PEREZ DEFENDED OPEC, WHICH HE SAID IS A PRINCIPAL CAUSE OF CURRENT DIFFERENCES BETWEEN THE US AND VENEZUELA. HE SAID OPEC HAS BEEN DESCRIBED AS A CARTEL OR MONOPOLY ENGAGED IN FIXING PRICES OF A VITAL BASIC PRODUCT AND THEREFORE RESPONSIBLE FOR THE ECONOMIC DIFFICULTIES FACED BY THE WORLD ECONOMY, INCLUDING ESPECIALLY THE SCOURGE OF INFLATION. PEREZ COMPARED ACCUSING OPEC TO ACCUSING A THERMOMETER WHICH ONLY MEASURES THE DEGREE OF THE PROBLEM BUT IS IN NOW WAY RESPONSIBLE FOR THE BASIC DIFFICULTY. HE SAID OPEC DOES NOT SEEK A CONFRONTATION WITH THE DEVELOPED COUNTRIES, MUCH LESS DO VENEZUELA AND ECUADOR WISH TO CONFRONT THE US. HE EMPHASIZED THAT OPEC DID NOT INITIATE THE OIL EMBARGO -- A POLITICAL ACT WHICH OPEC HAD NOTHING TO DO WITH. OPEC DOES HOWEVER SEEK AN EQUILIBRIUM IN THE PRICES ITS MEMBERS RECEIVE FOR PETROLEUM AND THE ESSENTIAL GOODS THAT THEY IMPORT FROM DEVELOPED COUNTRIES.

4. PRESIDENT PEREZ HAD STRONG PRAISE FOR THE DEMOCRACIES WHICH PREVAIL IN THE DEVELOPED WORLD AND WHICH HAVE PROCLAIMED DEMOCRATIC VALUES WHICH HAVE NO FRONTIERS. HE URGED, HOWEVER, THAT SUCH COUNTRIES SHOULD NOT ONLY SERVE AS AN EXAMPLE THRU THEIR WAY OF LIFE BUT THEY SHOULD ALSO MAKE EFFORTS TO EXTEND THESE BENEFITS THRU INTERCHANGE WITH LDC'S. THE WELFARE TO DEVELOPED COUNTRIES SHOULD NOT BE BASED IN ANY WAY ON THE POVERTY OF OTHERS. THE DEVELOPED COUNTRIES DOMINATE SCIENCE AND TECHNOLOGY WHICH ARE THE KEYS TO PROGRESS IN THE INTERNATIONAL ECONOMY. HOWEVER, IT IS IN THE INTERESTS OF EVERYONE THAT THIS BE SHARED WITH THE TWO-THIRDS OF HUMANITY WHICH REMAINS AT THE MARGIN OF THE ECONOMIC COMMUNITY.

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5. THE PRESIDENT ENDED HIS ADDRESS WITH THE ASSERTION THAT MODERN DEMOCRACY WAS BORN IN THE US. THIS IS THE PRINCIPAL IMAGE OF THE US IN VENEZUELA. END UNCLASSIFIED.

6. BEGIN CONFIDENTIAL:

COMMENT: PRESIDENT PEREZ'S APPEARANCE AT THE AMCHAM GALA CELEBRATION, ACCOMPANIED BY HIS CHIEF MINISTERS,

WAS A MANIFESTATION OF THE EXXCELLENT RELATIONS AMCHAM ENJOYS WITH PEREZ AND MANY KEY GOVT OFFICIALS. THIS WAS CONFIRMED TO AN EMBASSY OFFICER BY A FORMER PRESIDENT OF AMCHAM WHO CONTRASTED THE CURENT FRIENDLY ATMOSPHERE WITH THE PROPER BUT RATHER RESERVED RELATIONS-SHIP WHICH PREVAILED UNDER THE PREVIOUS ADMINISTRATION. AMCHAM DESERVES MUCH CREDIT FOR ITS CAREFUL EFFORTS TO CULTIVATE GOOD RELATIONS, BUT THE KEY FACTOR MAY HAVE BEEN AMCHAM'S WILLINGNESS TO GO TO BAT FOR VENEZUELA ON THE TRADE LAW ISSUE.

7. PEREZ'S REMARKS WERE FRIENDLY AND HIGHLY COMPLIMENTARY TO AMCHAM AND THE AMERICAN COMMUNITY RESIDENT IN VENEZUELA. NEVERTHELESS, HE TOOK FULL ADVANTAGE OF THE OPPORTUNITY TO TAKE ISSUE WITH THE US ON THE TRADE LAW. IN DEFERENCE TO THE OCCASION AND TO HIS HOSTS HIS LANGUAGE WAS RELATIVELY RESTRAINED, BUT THIS ISSUE IS MUCH IN HIS MIND AND HE IS LIKELY TO RETURN TO IT WITH HARSHER WORDS AS THE US GSP PLAN IS IMPLEMENTED. END COMMENT END CONFIDENTIAL. SHLAUDEMAN

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